

Financial Statements

And

Independent Auditor's Report

June 30, 2003



Nicholls State University Alumni Federation

Finanacial Statements and Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

Board of Directors Nicholls State University Alumni Federation

We have audited the accompanying statement of assets, liabilities & net assets - cash basis of the Nicholls State University Alumni Federation as of June 30, 2003, and the related statement of support, revenue, expenses, and changes in net assets - cash basis for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities & net assets of the Nicholls State University Alumni Federation as of June 30, 2003, and its support, revenue, expenses, and changes in its net assets during the year then ended, on the basis of accounting described in Note 1.

October 27, 2003

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION STATEMENT OF ASSETS, LIABILITIES, & NET ASSETS - CASH BASIS June 30, 2003

ASSETS

CURRENT ASSETS		
Cash & cash equivalents	\$	340,570.17
Cash & cash equivalents - designated		49,855.18
Total Current Assets	\$	390,425.35
NON-CURRENT ASSETS		
Furniture, equipment, & improvements		
net of accumulated depreciation	\$	13,165.60
Total Non-Current Assets	\$	13,165.60
TOTAL ASSETS	\$ 4	03,590.95
LIABILITIES AND NET ASSETS LIABILITIES		
Total liabilities	\$	0.00
NET ASSETS Unrestricted:		
Undesignated	\$	353,735.77
Designated for a specific purpose		49,855.18
Total Net Assets	\$	403,590.95
TOTAL LIABILITIES AND NET ASSETS	\$ 4	03,590.95

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION STATEMENT OF REVENUE, SUPPORT, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS

For the Year Ended June 30, 2003

UNRESTRICTED NET ASSETS REVENUE & OTHER SUPPORT

Membership dues	\$ 35,635.00
Membership dues - Assessment	17,715.00
Dues - Colonel's Cabinet	1,200.00
Homecoming	2,925.00
Annual Business Meeting	8,371.00
Donations	3,119.50
Commissions	50,000.00
Donated services	64,850.33
Donated occupancy	11,000.00
Miscellaneous income	632.00
Student assessments	16,693.95
Interest	 6,336.11
Total revenue & other support	\$ 218,477.89
EXPENSES	
PROGRAM SERVICES	
Director - travel & entertain	\$ 2,377.60
Salaries	64,850.33
Public relations & goodwill	9,979.56
Promotional expenditures	2,056.46
Scholarships - Cliff Gresham	800.00
Scholarships - Smitty Knobloch	350.00
Scholarships - Alumni	5,600.00
Scholarships - Top scholar	4,800.00
Student activities	4,559.50
Homecoming	4,473.37
Annual business meeting	10,090.66
Annual meeting awards	3,131.96
Coffee & refreshments	1,155.53
Donations - campus organizations	6,000.00
Dues & subscriptions	306.99
Miscellaneous expense	46.00

\$ 120,577.96

Total program services

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION STATEMENT OF REVENUE, SUPPORT, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS

For the Year Ended June 30, 2003

SUPPORTING SERVICES GENERAL & ADMINISTRATIVE

Casual labor	\$ 341.67
Office supplies & maintenance	1,922.61
Alumni house supplies & maint	2,415.85
Telephone	286.69
Professional fees	1,865.00
Advertising	123.00
Insurance	3,080.70
Bank & VISA fees	1,051.16
Miscellaneous expense	677.77
Depreciation	3,084.00
Occupancy expenses	11,000.00
MEMBERSHIP DEVELOPMENT	
Printing & postage - Dues	 6,628.54
Total supporting services	\$ 32,476.99
Total expenses	\$ 153,054.95
Change in net assets	\$ 65,422.94
NET ASSETS AT JUNE 30, 2002	\$ 338,168.01
NET ASSETS AT JUNE 30, 2003	\$ 403,590.95

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of organization:

The Nicholls State University Alumni Federation (the Alumni Federation) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 and is duly inscribed in Book of Charters and Articles of Incorporation No. 4, Page 539, Entry No. 185698. Its object and purpose is to foster, protect, and promote the welfare of Nicholls State University and its alumni.

The significant accounting policies are as follows:

Method of accounting:

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", the Alumni Federation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and Permanently restricted. Because the financial statements are presented on the cash basis of accounting, the Alumni Federation is not required to present a statement of cash flows.

Basis of accounting:

The Alumni Federation's policy is to prepare its financial statements on the cash basis. Using this basis, Revenues and other support are recognized when collected rather than when earned or receivable, and expenses are recognized when paid rather than when incurred. Consequently, the financial statements do not include revenue receivable, amounts due vendors, prepaid expenses, nor liabilities for accrued expenses.

Contributions:

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Use of estimates:

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Furniture, equipment, & improvements:

Furniture, equipment, & improvements are carried at historical cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Assets costing more than \$100 are capitalized.

Income tax status:

The Alumni Federation is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

NOTE 2. CASH AND CASH EQUIVALENTS

In addition to bank accounts, this classification includes all short term investments such as savings accounts, certificates of deposit maturing in one year or less, and money market accounts. These investments are stated at cost which approximate market.

A schedule of cash and cash equivalents follows:

<u>Hibernia Bank</u>	
Hibernia Checking - general (interest bearing)	\$ 3,854.44
Hibernia Checking - student (interest bearing)	28,484.88
Hibernia Tower Gold Savings (interest bearing)	190,160.08
Certificates of Deposit	92,065.25
Whitney Bank	
Whitney Bank - S Knobloch (interest bearing)	7,843.17
Union Planters Bank	
Union Planters - Colonel's Cab (interest bearing)	710.19
Certificate of Deposit - Student Assessment	13,527.13
Iberville Bank	
Certificate of Deposit	53,780.21
	\$ 390.425.35

These deposits are stated at cost, which approximates market.

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At June 30, 2003, the Alumni has \$393,085.68 in deposits (collected bank balance). \$175,860.70 of these deposits are secured from risk by FDIC federal deposit insurance. \$217,224.98 of these deposits are not

secured from risk because it exceeds the \$100,000 FDIC limit at Hibernia Bank and there are no pledge of securities owned by the fiscal agent bank.

NOTE 3. FURNITURE, EQUIPMENT, & IMPROVEMENTS

Furniture, equipment and improvements consist of the following:

	Balance				Balance
	6/30/02	Additions	Dele	tions	6/30/03
Furniture & Fixtures	\$ 24,127.47	\$ -	\$	-	\$ 24,127.47
Equipment	9,823.49	1,452.60		-	11,276.09
Leasehold Improvements	33,818.03			-	33,818.03
	67,768.99	1,452.60		-	69,221.59
Less: Accumulated Depreciation	(52,971.99)	(3,084.00)		-	(56,055.99)
Total	\$ 14,797.00	\$ (1,631.40)	\$	-	\$ 13,165.60

NOTE 4. UNRESTRICTED NET ASSETS DESIGNATED FOR A SPECIFIC PURPOSE

The Board voluntarily designated all assets obtained through student self assessment to be used exclusively for scholarships and student activities. The Board also voluntarily designated all assets obtained through donations to the Smitty Knobloch account to be used exclusively for scholarships. Unrestricted net assets designated for a specific purpose are available for the following purposes at June 30, 2003:

Student Self-Assessment Account - Scholarships and student activities	\$ 42,012.01
Smitty Knobloch Account - Scholarships	7,843.17
Total	\$ 49,855.18

NOTE 5. FUNCTIONAL EXPENSES

Expenses are charged directly to program services, general and administrative, or membership development categories based on specific identification. There are no indirect expenses to be allocated.

NOTE 6. DONATED SERVICES AND FACILITIES

The Alumni Federation receives donated services from Nicholls State University in the form of a full-time executive director and a full-time secretary. Nicholls State University has estimated the approximate cost of providing the donated services to be \$ 64,850.33 and it is included in contributions and expenses in the statement of activities.

The Alumni Federation also occupies office space on the campus of Nicholls State University. No rent is paid by the Alumni Federation. Nicholls State University has estimated the approximate fair value of the annual rental to be \$11,000 and it is included in contributions and expenses in the statement of activities.

NOTE 7. COMMISSION REVENUE

For year ending June 30, 2003, Nicholls State University Alumni Federation received one commission payment from First USA Bank totaling \$50,000. This commission payment is part of the Affinity Card Program, which gives First USA Bank the exclusive rights to solicit Nicholls State University Alumni for credit card purchases. Because the Alumni Federation has a fiscal year ending June 30, the amount of commission revenue recorded on the financial statements may fluctuate from year to year by a material amount.

NOTE 8. LITIGATION AND CLAIMS

At June 30, 2003 the Alumni Federation had no litigation or claims pending.